

SECOND REGULAR SESSION

HOUSE BILL NO. 1308

96TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES WELLS (Sponsor), CRAWFORD, DAY, NANCE,
KELLEY (126), CURTMAN, ENTLICHER AND LANT (Co-sponsors).

5101L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 30.270, 67.2000, and 249.1150, RSMo, and to enact in lieu thereof three new sections relating to pledged securities for safekeeping.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 30.270, 67.2000, and 249.1150, RSMo, are repealed and three new sections enacted in lieu thereof, to be known as sections 30.270, 67.2000, and 249.1150, to read as follows:

30.270. 1. For the security of the moneys deposited by the state treasurer pursuant to the provisions of this chapter, the state treasurer shall, from time to time, submit a list of acceptable securities to be approved by the governor and state auditor if satisfactory to them, and the state treasurer shall require of the selected and approved banks or financial institutions as security for the safekeeping and payment of deposits, securities from the list provided for in this section, which list shall include only securities of the following kind and character, unless it is determined by the state treasurer that the use of such securities as collateral may place state public funds at undue risk:

- (1) Bonds or other obligations of the United States;
- (2) Bonds or other obligations of the state of Missouri including revenue bonds issued by state agencies or by state authorities created by legislative enactment;
- (3) Bonds or other obligations of any city in this state having a population of not less than two thousand;
- (4) Bonds or other obligations of any county in this state;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

- 15 (5) Approved registered bonds or other obligations of any school district, including
16 certificates of participation and leasehold revenue bonds, situated in this state;
- 17 (6) Approved registered bonds or other obligations of any special road district in this
18 state;
- 19 (7) State bonds or other obligations of any state;
- 20 (8) Notes, bonds, debentures or other similar obligations issued by the farm credit banks
21 or agricultural credit banks or any other obligations issued pursuant to the provisions of an act
22 of the Congress of the United States known as the Farm Credit Act of 1971, and acts amendatory
23 thereto;
- 24 (9) [Bonds of the federal home loan banks;
- 25 (10)] Any bonds or other obligations guaranteed as to payment of principal and interest
26 by the government of the United States or any agency or instrumentality thereof;
- 27 [(11)] (10) Bonds of any political subdivision established pursuant to the provisions of
28 section 30, article VI of the Constitution of Missouri;
- 29 [(12)] (11) Tax anticipation notes issued by any county of the first classification;
- 30 [(13)] (12) A surety bond issued by an insurance company licensed pursuant to the laws
31 of the state of Missouri whose claims-paying ability is rated in the highest category by at least
32 one nationally recognized statistical rating agency. The face amount of such surety bond shall
33 be at least equal to the portion of the deposit to be secured by the surety bond;
- 34 [(14)] An irrevocable standby letter of credit issued by a Federal Home Loan Bank
35 possessing the highest rating issued by at least one nationally recognized statistical rating agency;
- 36 (15)] (13) Out-of-state municipal bonds, including certificates of participation and
37 leasehold revenue bonds, provided such bonds are rated in the highest category by at least one
38 nationally recognized statistical rating agency;
- 39 [(16)] (14) (a) Mortgage securities that are individual loans that include negotiable
40 promissory notes and the first lien deeds of trust securing payment of such notes on one to four
41 family real estate, on commercial real estate, or on farm real estate located in Missouri or states
42 adjacent to Missouri, provided such loans:
- 43 a. Are underwritten to conform to standards established by the state treasurer, which are
44 substantially similar to standards established by the Federal Home Loan Bank of Des Moines,
45 Iowa, and any of its successors in interest that provide funding for financial institutions in
46 Missouri;
- 47 b. Are offered by a financial institution in which a senior executive officer certifies under
48 penalty of perjury that such loans are compliant with the requirements of the Federal Home Loan
49 Bank of Des Moines, Iowa, when such loans are pledged by such bank;
- 50 c. Are offered by a financial institution that is well capitalized; and

51 d. Are not construction loans, are not more than ninety days delinquent, have not been
52 classified as substandard, doubtful, or subject to loss, are one hundred percent owned by the
53 financial institution, are otherwise unencumbered and are not being temporarily warehoused in
54 the financial institution for sale to a third party. Any disqualified mortgage securities shall be
55 removed as collateral within ninety days of disqualification or the state treasurer may disqualify
56 such collateral as collateral for state funds;

57 (b) The state treasurer may promulgate regulations and provide such other forms or
58 agreements to ensure the state maintains a first priority position on the deeds of trust and
59 otherwise protect and preserve state funds. Any rule or portion of a rule, as that term is defined
60 in section 536.010, that is created under the authority delegated in this section shall become
61 effective only if it complies with and is subject to all of the provisions of chapter 536 and, if
62 applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the
63 powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective
64 date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of
65 rulemaking authority and any rule proposed or adopted after August 28, 2005, shall be invalid
66 and void;

67 (c) A status report on all such mortgage securities shall be provided to the state treasurer
68 on a calendar monthly basis in the manner and format prescribed by the state treasurer by the
69 financial institutions pledging such mortgage securities and also shall certify their compliance
70 with subsection 2 for such mortgage securities;

71 (d) In the alternative to paragraph (a) of this subdivision, a financial institution may
72 provide a blanket lien on all loans secured by one to four family real estate, all loans secured by
73 commercial real estate, all loans secured by farm real estate, or any combination of these
74 categories, provided the financial institution secures such blanket liens with real estate located
75 in Missouri and states adjacent to Missouri and otherwise complies with paragraphs (b) and (c)
76 of this subdivision;

77 (e) The provisions of paragraphs (a) to (d) of this subdivision are not authorized for any
78 Missouri political subdivision, notwithstanding the provisions of chapter 110 to the contrary;

79 (f) As used in this subdivision, the term "unencumbered" shall mean mortgage securities
80 pledged for state funds as provided in subsection 1 of this section, and not subject to any other
81 express claims by any third parties, including but not limited to a blanket lien on the bank assets
82 by the Federal Home Loan Bank, a depositary arrangement when securities are loaned and
83 repurchased daily or otherwise, or the depositary has pledged its stock and assets for a loan to
84 purchase another depositary or otherwise; and

85 (g) As used in this subdivision, the term "well capitalized" shall mean a banking
86 institution that according to its most recent report of condition and income or thrift financial

87 report, publicly available as applicable, qualifies as well capitalized under the uniform capital
88 requirements established by the federal banking regulators or as determined by state banking
89 regulators under substantially similar requirements;

90 [(17)] **(15)** Any investment that the state treasurer may invest in as provided in article
91 IV, section 15 of the Missouri Constitution, and subject to the state treasurer's written investment
92 policy in section 30.260, that is not otherwise provided for in this section, provided the banking
93 institution or eligible lending institution as defined in subdivision (10) of section 30.750 is well
94 capitalized, as defined in subdivision (16) of this subsection. The provisions of this subdivision
95 are not authorized for political subdivisions, notwithstanding the provisions of chapter 110 to
96 the contrary.

97 2. Securities deposited shall be in an amount valued at market equal at least to one
98 hundred percent of the aggregate amount on time deposit as well as on demand deposit with the
99 particular financial institution less the amount, if any, which is insured either by the Federal
100 Deposit Insurance Corporation or by the National Credit Unions Share Insurance Fund.
101 Furthermore, for a well-capitalized banking institution, securities authorized in this section that
102 are:

103 (1) Mortgage securities on loans secured on one to four family real estate appraised to
104 reflect the market value at the time of the loan and deposited as collateral shall not exceed one
105 hundred twenty-five percent of the aggregate amount of time deposits and demand deposits;

106 (2) Mortgage securities on loans secured on commercial real estate or on farm real estate
107 appraised to reflect the market value at the time of the loan and deposited as collateral shall not
108 exceed the collateral requirements of the Federal Home Loan Bank of Des Moines, Iowa;

109 (3) United States Treasury securities and United States Federal Agency debentures issued
110 by Fannie Mae, Freddie Mac, the Federal Home Loan Bank, or the Federal Farm Credit Bank
111 valued at market and deposited as collateral shall not exceed one hundred five percent of the
112 aggregate amount of time deposits and demand deposits. All other securities, except as noted
113 elsewhere in this section valued at market and deposited as collateral shall not exceed one
114 hundred fifteen percent of the aggregated amount of the time deposits and demand deposits; and

115 (4) Securities that are surety bonds and letters of credit authorized as collateral need only
116 collateralize one hundred percent of the aggregate amount of time deposits and demand deposits.

117 3. The securities or book entry receipts shall be delivered to the state treasurer and
118 receipted for by the state treasurer and retained by the treasurer or by financial institutions that
119 the governor, state auditor and treasurer agree upon. The state treasurer shall from time to time
120 inspect the securities and book entry receipts and see that they are actually held by the state
121 treasury or by the financial institutions selected as the state depositories. The governor and the
122 state auditor may inspect or request an accounting of the securities or book entry receipts, and

123 if in any case, or at any time, the securities are not satisfactory security for deposits made as
124 provided by law, they may require additional security to be given that is satisfactory to them.

125 4. Any securities deposited pursuant to this section may from time to time be withdrawn
126 and other securities described in the list provided for in subsection 1 of this section may be
127 substituted in lieu of the withdrawn securities with the consent of the treasurer; but a sufficient
128 amount of securities to secure the deposits shall always be held by the treasury or in the selected
129 depositories.

130 5. If a financial institution of deposit fails to pay a deposit, or any part thereof, pursuant
131 to the terms of its contract with the state treasurer, the state treasurer shall forthwith convert the
132 securities into money and disburse the same according to law.

133 6. Any financial institution making deposits of bonds with the state treasurer pursuant
134 to the provisions of this chapter may cause the bonds to be endorsed or stamped as it deems
135 proper, so as to show that they are deposited as collateral and are not transferable except upon
136 the conditions of this chapter or upon the release by the state treasurer.

67.2000. 1. This section shall be known as the "Exhibition Center and Recreational
2 Facility District Act".

3 2. An exhibition center and recreational facility district may be created under this section
4 in the following counties:

5 (1) Any county of the first classification with more than seventy-one thousand three
6 hundred but less than seventy-one thousand four hundred inhabitants;

7 (2) Any county of the first classification with more than one hundred ninety-eight
8 thousand but less than one hundred ninety-nine thousand two hundred inhabitants;

9 (3) Any county of the first classification with more than eighty-five thousand nine
10 hundred but less than eighty-six thousand inhabitants;

11 (4) Any county of the second classification with more than fifty-two thousand six
12 hundred but less than fifty-two thousand seven hundred inhabitants;

13 (5) Any county of the first classification with more than one hundred four thousand six
14 hundred but less than one hundred four thousand seven hundred inhabitants;

15 (6) Any county of the third classification without a township form of government and
16 with more than seventeen thousand nine hundred but less than eighteen thousand inhabitants;

17 (7) Any county of the first classification with more than thirty-seven thousand but less
18 than thirty-seven thousand one hundred inhabitants;

19 (8) Any county of the third classification without a township form of government and
20 with more than twenty-three thousand five hundred but less than twenty-three thousand six
21 hundred inhabitants;

22 (9) Any county of the third classification without a township form of government and
23 with more than nineteen thousand three hundred but less than nineteen thousand four hundred
24 inhabitants;

25 (10) Any county of the first classification with more than two hundred forty thousand
26 three hundred but less than two hundred forty thousand four hundred inhabitants;

27 (11) Any county of the third classification with a township form of government and with
28 more than eight thousand nine hundred but fewer than nine thousand inhabitants;

29 (12) Any county of the third classification without a township form of government and
30 with more than eighteen thousand nine hundred but fewer than nineteen thousand inhabitants;

31 (13) Any county of the third classification with a township form of government and with
32 more than eight thousand but fewer than eight thousand one hundred inhabitants;

33 (14) Any county of the third classification with a township form of government and with
34 more than eleven thousand five hundred but fewer than eleven thousand six hundred inhabitants.

35 3. Whenever not less than fifty owners of real property located within any county listed
36 in subsection 2 of this section desire to create an exhibition center and recreational facility
37 district, the property owners shall file a petition with the governing body of each county located
38 within the boundaries of the proposed district requesting the creation of the district. The district
39 boundaries may include all or part of the counties described in this section. The petition shall
40 contain the following information:

41 (1) The name and residence of each petitioner and the location of the real property
42 owned by the petitioner;

43 (2) A specific description of the proposed district boundaries, including a map
44 illustrating the boundaries; and

45 (3) The name of the proposed district.

46 4. Upon the filing of a petition pursuant to this section, the governing body of any county
47 described in this section may, by resolution, approve the creation of a district. Any resolution
48 to establish such a district shall be adopted by the governing body of each county located within
49 the proposed district, and shall contain the following information:

50 (1) A description of the boundaries of the proposed district;

51 (2) The time and place of a hearing to be held to consider establishment of the proposed
52 district;

53 (3) The proposed sales tax rate to be voted on within the proposed district; and

54 (4) The proposed uses for the revenue generated by the new sales tax.

55 5. Whenever a hearing is held as provided by this section, the governing body of each
56 county located within the proposed district shall:

57 (1) Publish notice of the hearing on two separate occasions in at least one newspaper of
58 general circulation in each county located within the proposed district, with the first publication
59 to occur not more than thirty days before the hearing, and the second publication to occur not
60 more than fifteen days or less than ten days before the hearing;

61 (2) Hear all protests and receive evidence for or against the establishment of the
62 proposed district; and

63 (3) Rule upon all protests, which determinations shall be final.

64 6. Following the hearing, if the governing body of each county located within the
65 proposed district decides to establish the proposed district, it shall adopt an order to that effect;
66 if the governing body of any county located within the proposed district decides to not establish
67 the proposed district, the boundaries of the proposed district shall not include that county. The
68 order shall contain the following:

69 (1) The description of the boundaries of the district;

70 (2) A statement that an exhibition center and recreational facility district has been
71 established;

72 (3) The name of the district;

73 (4) The uses for any revenue generated by a sales tax imposed pursuant to this section;
74 and

75 (5) A declaration that the district is a political subdivision of the state.

76 7. A district established pursuant to this section may, at a general, primary, or special
77 election, submit to the qualified voters within the district boundaries a sales tax of one-fourth of
78 one percent, for a period not to exceed twenty-five years, on all retail sales within the district,
79 which are subject to taxation pursuant to sections 144.010 to 144.525, to fund the acquisition,
80 construction, maintenance, operation, improvement, and promotion of an exhibition center and
81 recreational facilities. The ballot of submission shall be in substantially the following form:

82 Shall the (name of district) impose a sales tax of one-fourth
83 of one percent to fund the acquisition, construction, maintenance, operation, improvement, and
84 promotion of an exhibition center and recreational facilities, for a period of (insert
85 number of years)?

86 ☐ YES

☐ NO

87

88 If you are in favor of the question, place an "X" in the box opposite "YES". If you are opposed
89 to the question, place an "X" in the box opposite "NO". If a majority of the votes cast in the
90 portion of any county that is part of the proposed district favor the proposal, then the sales tax
91 shall become effective in that portion of the county that is part of the proposed district on the first
92 day of the first calendar quarter immediately following the election. If a majority of the votes

93 cast in the portion of a county that is a part of the proposed district oppose the proposal, then that
94 portion of such county shall not impose the sales tax authorized in this section until after the
95 county governing body has submitted another such sales tax proposal and the proposal is
96 approved by a majority of the qualified voters voting thereon. However, if a sales tax proposal
97 is not approved, the governing body of the county shall not resubmit a proposal to the voters
98 pursuant to this section sooner than twelve months from the date of the last proposal submitted
99 pursuant to this section. If the qualified voters in two or more counties that have contiguous
100 districts approve the sales tax proposal, the districts shall combine to become one district.

101 8. There is hereby created a board of trustees to administer any district created and the
102 expenditure of revenue generated pursuant to this section consisting of four individuals to
103 represent each county approving the district, as provided in this subsection. The governing body
104 of each county located within the district, upon approval of that county's sales tax proposal, shall
105 appoint four members to the board of trustees; at least one shall be an owner of a nonlodging
106 business located within the taxing district, or their designee, at least one shall be an owner of a
107 lodging facility located within the district, or their designee, and all members shall reside in the
108 district except that one nonlodging business owner, or their designee, and one lodging facility
109 owner, or their designee, may reside outside the district. Each trustee shall be at least twenty-five
110 years of age and a resident of this state. Of the initial trustees appointed from each county, two
111 shall hold office for two years, and two shall hold office for four years. Trustees appointed after
112 expiration of the initial terms shall be appointed to a four-year term by the governing body of the
113 county the trustee represents, with the initially appointed trustee to remain in office until a
114 successor is appointed, and shall take office upon being appointed. Each trustee may be
115 reappointed. Vacancies shall be filled in the same manner in which the trustee vacating the
116 office was originally appointed. The trustees shall not receive compensation for their services,
117 but may be reimbursed for their actual and necessary expenses. The board shall elect a chair and
118 other officers necessary for its membership. Trustees may be removed if:

119 (1) By a two-thirds vote, the board moves for the member's removal and submits such
120 motion to the governing body of the county from which the trustee was appointed; and

121 (2) The governing body of the county from which the trustee was appointed, by a
122 majority vote, adopts the motion for removal.

123 9. The board of trustees shall have the following powers, authority, and privileges:

124 (1) To have and use a corporate seal;

125 (2) To sue and be sued, and be a party to suits, actions, and proceedings;

126 (3) To enter into contracts, franchises, and agreements with any person or entity, public
127 or private, affecting the affairs of the district, including contracts with any municipality, district,
128 or state, or the United States, and any of their agencies, political subdivisions, or

129 instrumentalities, for the funding, including without limitation interest rate exchange or swap
130 agreements, planning, development, construction, acquisition, maintenance, or operation of a
131 single exhibition center and recreational facilities or to assist in such activity. "Recreational
132 facilities" means locations explicitly designated for public use where the primary use of the
133 facility involves participation in hobbies or athletic activities;

134 (4) To borrow money and incur indebtedness and evidence the same by certificates,
135 notes, or debentures, to issue bonds and use any one or more lawful funding methods the district
136 may obtain for its purposes at such rates of interest as the district may determine. Any bonds,
137 notes, and other obligations issued or delivered by the district may be secured by mortgage,
138 pledge, or deed of trust of any or all of the property and income of the district. Every issue of
139 such bonds, notes, or other obligations shall be payable out of property and revenues of the
140 district and may be further secured by other property of the district, which may be pledged,
141 assigned, mortgaged, or a security interest granted for such payment, without preference or
142 priority of the first bonds issued, subject to any agreement with the holders of any other bonds
143 pledging any specified property or revenues. Such bonds, notes, or other obligations shall be
144 authorized by resolution of the district board, and shall bear such date or dates, and shall mature
145 at such time or times, but not in excess of thirty years, as the resolution shall specify. Such
146 bonds, notes, or other obligations shall be in such denomination, bear interest at such rate or
147 rates, be in such form, either coupon or registered, be issued as current interest bonds, compound
148 interest bonds, variable rate bonds, convertible bonds, or zero coupon bonds, be issued in such
149 manner, be payable in such place or places, and be subject to redemption as such resolution may
150 provide, notwithstanding section 108.170. The bonds, notes, or other obligations may be sold
151 at either public or private sale, at such interest rates, and at such price or prices as the district
152 shall determine;

153 (5) To acquire, transfer, donate, lease, exchange, mortgage, and encumber real and
154 personal property in furtherance of district purposes;

155 (6) To refund any bonds, notes, or other obligations of the district without an election.
156 The terms and conditions of refunding obligations shall be substantially the same as those of the
157 original issue, and the board shall provide for the payment of interest at not to exceed the legal
158 rate, and the principal of such refunding obligations in the same manner as is provided for the
159 payment of interest and principal of obligations refunded;

160 (7) To have the management, control, and supervision of all the business and affairs of
161 the district, and the construction, installation, operation, and maintenance of district
162 improvements therein; to collect rentals, fees, and other charges in connection with its services
163 or for the use of any of its facilities;

164 (8) To hire and retain agents, employees, engineers, and attorneys;

165 (9) To receive and accept by bequest, gift, or donation any kind of property;

166 (10) To adopt and amend bylaws and any other rules and regulations not in conflict with
167 the constitution and laws of this state, necessary for the carrying on of the business, objects, and
168 affairs of the board and of the district; and

169 (11) To have and exercise all rights and powers necessary or incidental to or implied
170 from the specific powers granted by this section.

171 10. There is hereby created the "Exhibition Center and Recreational Facility District
172 Sales Tax Trust Fund", which shall consist of all sales tax revenue collected pursuant to this
173 section. The director of revenue shall be custodian of the trust fund, and moneys in the trust fund
174 shall be used solely for the purposes authorized in this section. Moneys in the trust fund shall
175 be considered nonstate funds pursuant to section 15, article IV, Constitution of Missouri. The
176 director of revenue shall invest moneys in the trust fund in the same manner as other funds are
177 invested. Any interest and moneys earned on such investments shall be credited to the trust fund.
178 All sales taxes collected by the director of revenue pursuant to this section on behalf of the
179 district, less one percent for the cost of collection which shall be deposited in the state's general
180 revenue fund after payment of premiums for surety bonds as provided in section 32.087, shall
181 be deposited in the trust fund. The director of revenue shall keep accurate records of the amount
182 of moneys in the trust fund which was collected in the district imposing a sales tax pursuant to
183 this section, and the records shall be open to the inspection of the officers of each district and the
184 general public. Not later than the tenth day of each month, the director of revenue shall
185 distribute all moneys deposited in the trust fund during the preceding month to the district. The
186 director of revenue may authorize refunds from the amounts in the trust fund and credited to the
187 district for erroneous payments and overpayments made, and may redeem dishonored checks and
188 drafts deposited to the credit of the district.

189 11. The sales tax authorized by this section is in addition to all other sales taxes allowed
190 by law. Except as modified in this section, all provisions of sections 32.085 and 32.087 apply
191 to the sales tax imposed pursuant to this section.

192 12. Any sales tax imposed pursuant to this section shall not extend past the initial term
193 approved by the voters unless an extension of the sales tax is submitted to and approved by the
194 qualified voters in each county in the manner provided in this section. Each extension of the
195 sales tax shall be for a period not to exceed twenty years. The ballot of submission for the
196 extension shall be in substantially the following form:

197 Shall the (name of district) extend the sales tax of one-fourth of one percent for
198 a period of (insert number of years) years to fund the acquisition, construction,
199 maintenance, operation, improvement, and promotion of an exhibition center and recreational
200 facilities?

201

☐ YES☐ NO

202

203 If you are in favor of the question, place an "X" in the box opposite "YES". If you are opposed
204 to the question, place an "X" in the box opposite "NO". If a majority of the votes cast favor the
205 extension, then the sales tax shall remain in effect at the rate and for the time period approved
206 by the voters. If a sales tax extension is not approved, the district may submit another sales tax
207 proposal as authorized in this section, but the district shall not submit such a proposal to the
208 voters sooner than twelve months from the date of the last extension submitted. 13. Once the
209 sales tax authorized by this section is abolished or terminated by any means, all funds remaining
210 in the trust fund shall be used solely for the purposes approved in the ballot question authorizing
211 the sales tax. The sales tax shall not be abolished or terminated while the district has any
212 financing or other obligations outstanding; provided that any new financing, debt, or other
213 obligation or any restructuring or refinancing of an existing debt or obligation incurred more than
214 ten years after voter approval of the sales tax provided in this section or more than ten years after
215 any voter-approved extension thereof shall not cause the extension of the sales tax provided in
216 this section or cause the final maturity of any financing or other obligations outstanding to be
217 extended. Any funds in the trust fund which are not needed for current expenditures may be
218 invested by the district in the securities described in subdivisions (1) to [(12)] (11) of subsection
219 1 of section 30.270 or repurchase agreements secured by such securities. If the district abolishes
220 the sales tax, the district shall notify the director of revenue of the action at least ninety days
221 before the effective date of the repeal, and the director of revenue may order retention in the trust
222 fund, for a period of one year, of two percent of the amount collected after receipt of such notice
223 to cover possible refunds or overpayment of the sales tax and to redeem dishonored checks and
224 drafts deposited to the credit of such accounts. After one year has elapsed after the effective date
225 of abolition of the sales tax in the district, the director of revenue shall remit the balance in the
226 account to the district and close the account of the district. The director of revenue shall notify
227 the district of each instance of any amount refunded or any check redeemed from receipts due
228 the district.

229

230 14. In the event that the district is dissolved or terminated by any means, the governing
231 bodies of the counties in the district shall appoint a person to act as trustee for the district so
232 dissolved or terminated. Before beginning the discharge of duties, the trustee shall take and
233 subscribe an oath to faithfully discharge the duties of the office, and shall give bond with
234 sufficient security, approved by the governing bodies of the counties, to the use of the dissolved
235 or terminated district, for the faithful discharge of duties. The trustee shall have and exercise all
236 powers necessary to liquidate the district, and upon satisfaction of all remaining obligations of
the district, shall pay over to the county treasurer of each county in the district and take receipt

237 for all remaining moneys in amounts based on the ratio the levy of each county bears to the total
238 levy for the district in the previous three years or since the establishment of the district,
239 whichever time period is shorter. Upon payment to the county treasurers, the trustee shall deliver
240 to the clerk of the governing body of any county in the district all books, papers, records, and
241 deeds belonging to the dissolved district.

249.1150. 1. There is hereby created within any county of the third classification
2 without a township form of government and with more than thirty-four thousand but less than
3 thirty-four thousand one hundred inhabitants, any county of the second classification without a
4 township form of government and with more than fifty-four thousand two hundred but less than
5 fifty-four thousand three hundred inhabitants, any county of the third classification without a
6 township form of government and with more than thirteen thousand seventy-five but less than
7 thirteen thousand one hundred seventy-five inhabitants, any county of the first classification with
8 more than two hundred forty thousand three hundred but less than two hundred forty thousand
9 four hundred inhabitants, any county of the third classification without a township form of
10 government and with more than nine thousand four hundred fifty but less than nine thousand five
11 hundred fifty inhabitants, any county of the third classification without a township form of
12 government and with more than twenty-eight thousand six hundred but less than twenty-eight
13 thousand seven hundred inhabitants, any county of the first classification with more than
14 thirty-nine thousand seven hundred but less than thirty-nine thousand eight hundred inhabitants,
15 any county of the third classification without a township form of government and with more than
16 thirty-one thousand but less than thirty-one thousand one hundred inhabitants, and any county
17 of the third classification without a township form of government and with more than seventeen
18 thousand nine hundred but less than eighteen thousand inhabitants, the "Upper White River
19 Basin Watershed Improvement District". The watershed improvement district is authorized to
20 own, install, operate, and maintain decentralized or individual on-site wastewater treatment
21 plants. The watershed improvement district created under this section shall be a body corporate
22 and a political subdivision of the state of Missouri, shall be capable of suing and being sued in
23 contract in its corporate name, and shall be capable of holding such real and personal property
24 necessary for corporate purposes. The district shall implement procedures to regulate the area
25 within the district and to educate property owners within the district about the requirements
26 imposed by the district.

27 2. Any county included in the Upper White River Basin watershed improvement district,
28 as established in subsection 1 of this section, may choose to opt out of the district in one of two
29 ways:

30 (1) Upon the filing of a petition signed by at least twenty percent of the property owners
31 residing within the county, a proposal is submitted to the qualified voters within the district
32 boundaries. The ballot of submission shall be in substantially the following form:

33 Shall the county of opt out of the Upper White River Basin Watershed
34 Improvement District?

35 ☐ YES

☐ NO

36

37 If you are in favor of the question, place an "X" in the box opposite "YES". If you are opposed
38 to the question, place an "X" in the box opposite "NO". If a simple majority of the votes cast in
39 the county favors the proposal to opt out of district, then the county shall no longer be included
40 in the Upper White River Basin watershed improvement district, and shall cease all imposition,
41 collection, and assessment of any taxes associated with that district, beginning on the first day
42 of the first month following the election. If a simple majority of the votes cast in the county
43 opposes the proposal to opt out of the district, then the county shall remain a part of the Upper
44 White River Basin watershed improvement district. However, if a proposal to opt out of the
45 district is not approved, the governing body of the county shall not resubmit a proposal to the
46 voters under this section sooner than twelve months from the date of the last proposal submitted
47 under this section; or

48 (2) Upon the issuance of an order by the county commission, a proposal is submitted to
49 the qualified voters within the district boundaries to opt out of the Upper White River Basin
50 watershed improvement district. The ballot of submission shall be in substantially the following
51 form:

52 Shall the county of opt out of the Upper White River Basin Watershed
53 Improvement District?

54 ☐ YES

☐ NO

55

56 If you are in favor of the question, place an "X" in the box opposite "YES". If you are opposed
57 to the question, place an "X" in the box opposite "NO". If a simple majority of the votes cast in
58 the county favors the proposal to opt out of the Upper White River Basin watershed
59 improvement district, then the county shall no longer be included in the Upper White River
60 Basin watershed improvement district, and shall cease all imposition, collection, and assessment
61 of any taxes associated with that district, beginning on the first day of the first month following
62 the election. If a simple majority of the votes cast in the county opposes the proposal to opt out
63 of the Upper White River Basin watershed improvement district, then the county shall remain
64 a part of the Upper White River Basin watershed improvement district. However, if a proposal
65 to opt out of the Upper White River Basin watershed improvement district is not approved, the

66 governing body of the county shall not resubmit a proposal to the voters under this section sooner
67 than twelve months from the date of the last proposal submitted under this section.

68 3. Any county who has successfully chosen to opt out of the Upper White River Basin
69 watershed improvement district under the provisions of subsection 2 of this section shall be
70 allowed to rejoin the district at any time, provided the county submits the proposal to rejoin the
71 district in one of two ways:

72 (1) Upon the filing of a petition signed by at least twenty percent of the property owners
73 residing within the county, a proposal is submitted to the qualified voters within the county. The
74 ballot of submission shall be in substantially the following form:

75 Shall the county of rejoin the Upper White River Basin Watershed Improvement
76 District?

77 ☐ YES

☐ NO

78
79 If you are in favor of the question, place an "X" in the box opposite "YES". If you are opposed
80 to the question, place an "X" in the box opposite "NO". If a simple majority of the votes cast in
81 the county favors the proposal to rejoin the Upper White River Basin watershed improvement
82 district, then the county shall rejoin the district. If a simple majority of the votes cast in the
83 county opposes the proposal to rejoin the district, then the county shall remain outside the Upper
84 White River Basin watershed improvement district. However, if a proposal to rejoin the Upper
85 White River Basin watershed improvement district is not approved, the governing body of the
86 county shall not resubmit a proposal to the voters under this section sooner than twelve months
87 from the date of the last proposal submitted under this section; or

88 (2) Upon the issuance of an order by the county commission, a proposal is submitted to
89 the qualified voters within the district boundaries to rejoin the Upper White River Basin
90 watershed improvement district. The ballot of submission shall be in substantially the following
91 form:

92 Shall the county of rejoin the Upper White River Basin Watershed Improvement
93 District?

94 ☐ YES

☐ NO

95
96 If you are in favor of the question, place an "X" in the box opposite "YES". If you are opposed
97 to the question, place an "X" in the box opposite "NO". If a simple majority of the votes cast in
98 the county favors the proposal to rejoin the Upper White River Basin watershed improvement
99 district, then the county shall rejoin the Upper White River Basin watershed improvement
100 district. If a simple majority of the votes cast in the county opposes the proposal to rejoin the
101 Upper White River Basin watershed improvement district, then the county shall remain outside

102 the Upper White River Basin watershed improvement district. However, if a proposal to rejoin
103 the Upper White River Basin watershed improvement district is not approved, the governing
104 body of the county shall not resubmit a proposal to the voters under this section sooner than
105 twelve months from the date of the last proposal submitted under this section.

106 4. The watershed improvement district created under this section shall have the power
107 to borrow money and incur indebtedness and evidence the same by certificates, notes, or
108 debentures, to issue bonds and use any one or more lawful funding methods the district may
109 obtain for its purposes at such rates of interest as the district may determine. Any bonds, notes,
110 and other obligations issued or delivered by the district may be secured by mortgage, pledge, or
111 deed of trust of any or all of the property within the district. Every issue of such bonds, notes,
112 or other obligations shall be payable out of property and revenues of the district and may be
113 further secured by other property within the district, which may be pledged, assigned, mortgaged,
114 or a security interest granted for such payment, without preference or priority of the first bonds
115 issued, subject to any agreement with the holders of any other bonds pledging any specified
116 property or revenues. Such bonds, notes, or other obligations shall be authorized by resolution
117 of the district board, and shall bear such date or dates, and shall mature at such time or times, but
118 not in excess of thirty years, as the resolution shall specify. Such bonds, notes, or other
119 obligations shall be in such denomination, bear interest at such rate or rates, be in such form,
120 either coupon or registered, be issued as current interest bonds, compound interest bonds,
121 variable rate bonds, convertible bonds, or zero coupon bonds, be issued in such manner, be
122 payable in such place or places, and be subject to redemption as such resolution may provide,
123 notwithstanding section 108.170. The bonds, notes, or other obligations may be sold at either
124 public or private sale, at such interest rates, and at such price or prices as the district shall
125 determine.

126 5. The county commission of any county located within the watershed improvement
127 district may authorize individual properties to be served by the district by adoption of a
128 resolution or upon the filing of a petition signed by at least twenty percent of the property owners
129 of the proposed area. The resolution or petition shall describe generally the size and location of
130 the proposed area.

131 6. In the event that any property within the watershed improvement district proposed
132 under this section lies within or is serviced by any existing sewer district formed under this
133 chapter, chapter 204, or chapter 250, the property shall not become part of the watershed
134 improvement district formed under this section unless the existing sewer district agrees to refrain
135 from providing service or to discontinue service to the property. No property shall become part
136 of the watershed district until the owner of that property has paid in full all outstanding costs
137 owed to an existing sewer district formed under this chapter, chapter 204, or chapter 250.

138 7. Upon the creation of the watershed improvement district as authorized by this section,
139 a board of trustees for the district consisting of nine members shall be appointed. The governing
140 body of each county shall appoint one member to serve on the board. No trustee shall reside in
141 the same county as another trustee. Of the initial trustees appointed, five shall serve terms of one
142 year, and four shall serve terms of two years, as determined by lot. After the initial appointments
143 of the trustees, the successor trustees shall reside in the same county as the prior trustee and be
144 elected by the resident property owners of their county within the district. Each trustee may be
145 elected to no more than five consecutive two-year terms. Vacancies shall be filled by the board.
146 Each trustee shall serve until a successor is elected and sworn. The trustees shall not receive
147 compensation for their services, but may be reimbursed for their actual and necessary expenses.
148 The board shall elect a chair and other officers necessary for its membership. The board shall
149 enter into contracts with any person or entity for the maintenance, administrative, or support
150 work required to administer the district. The board may charge reasonable fees and submit
151 proposals to levy and impose property taxes to fund the operation of the district to the qualified
152 voters in the district, but such proposals shall not become effective unless a majority of the
153 qualified voters in the district voting on the proposals approve the proposed levy and rate of tax.
154 The board may adopt resolutions necessary to the operation of the district.

155 8. No service shall be initiated to any property lying within the watershed improvement
156 district created under this section unless the property owner elects to have the service provided
157 by the district.

158 9. Any on-site wastewater treatment system installed on any property that participates
159 in the watershed improvement district formed under this section shall meet all applicable
160 standards for such on-site wastewater treatment systems under sections 701.025 to 701.059 and
161 as required by rules or regulations promulgated by the board of trustees and the appropriate state
162 agencies.

163 10. Property owners participating in the watershed improvement district formed under
164 this section shall be required as a condition of continued participation to have a maintenance plan
165 approved by the watershed improvement district for the on-site wastewater treatment systems
166 on their properties. Such property owners shall also execute a utilities easement to allow the
167 district access to the system for maintenance purposes and inspections. The property owner shall
168 provide satisfactory proof that periodic maintenance is performed on the sewage system. At a
169 minimum the system shall be installed and maintained according to the manufacturer's
170 recommendations. The level of satisfactory proof required and the frequency of periodic proof
171 shall be determined by the board of trustees.

172 11. A district established under this section may, at a general or primary election, submit
173 to the qualified voters within the district boundaries a real property tax that shall not exceed five

174 cents per one hundred dollars assessed valuation to fund the operation of the district. The ballot
175 of submission shall be in substantially the following form:

176 Shall the (name of district) impose a real property tax within the district at a rate
177 of not more than (insert amount) dollars per hundred dollars of assessed valuation to fund
178 the operation of the district?

179 ☐ YES

☐ NO

180

181 If you are in favor of the question, place an "X" in the box opposite "YES". If you are opposed
182 to the question, place an "X" in the box opposite "NO". If a majority of the votes cast in each
183 county that is part of the district favor the proposal, then the real property tax shall become
184 effective in the district on the first day of the year following the year of the election. If a majority
185 of the votes cast in each county that is a part of the district oppose the proposal, then that county
186 shall not impose the real property tax authorized in this section until after the county governing
187 body has submitted another such real property tax proposal and the proposal is approved by a
188 majority of the qualified voters voting thereon. However, if a real property tax proposal is not
189 approved, the governing body of the county shall not resubmit a proposal to the voters under this
190 section sooner than twelve months from the date of the last proposal submitted under this
191 section.

192 12. The real property tax authorized by this section is in addition to all other real
193 property taxes allowed by law.

194 13. Once the real property tax authorized by this section is abolished or terminated by
195 any means, all funds remaining in the trust fund shall be used solely for the purposes approved
196 in the ballot question authorizing the tax. The tax shall not be abolished or terminated while the
197 district has any financing or other obligations outstanding. Any funds in the trust fund which are
198 not needed for current expenditures may be invested by the district in the securities described in
199 subdivisions (1) to [(12)] **(11)** of subsection 1 of section 30.270 or repurchase agreements
200 secured by such securities.

201 14. The governing body of any county included in the Upper White River Basin
202 watershed improvement district established in this section may designate groundwater depletion
203 areas within specific areas of the county and may require well volume monitoring. However, any
204 county included in this district may choose not to require well volume monitoring.

✓